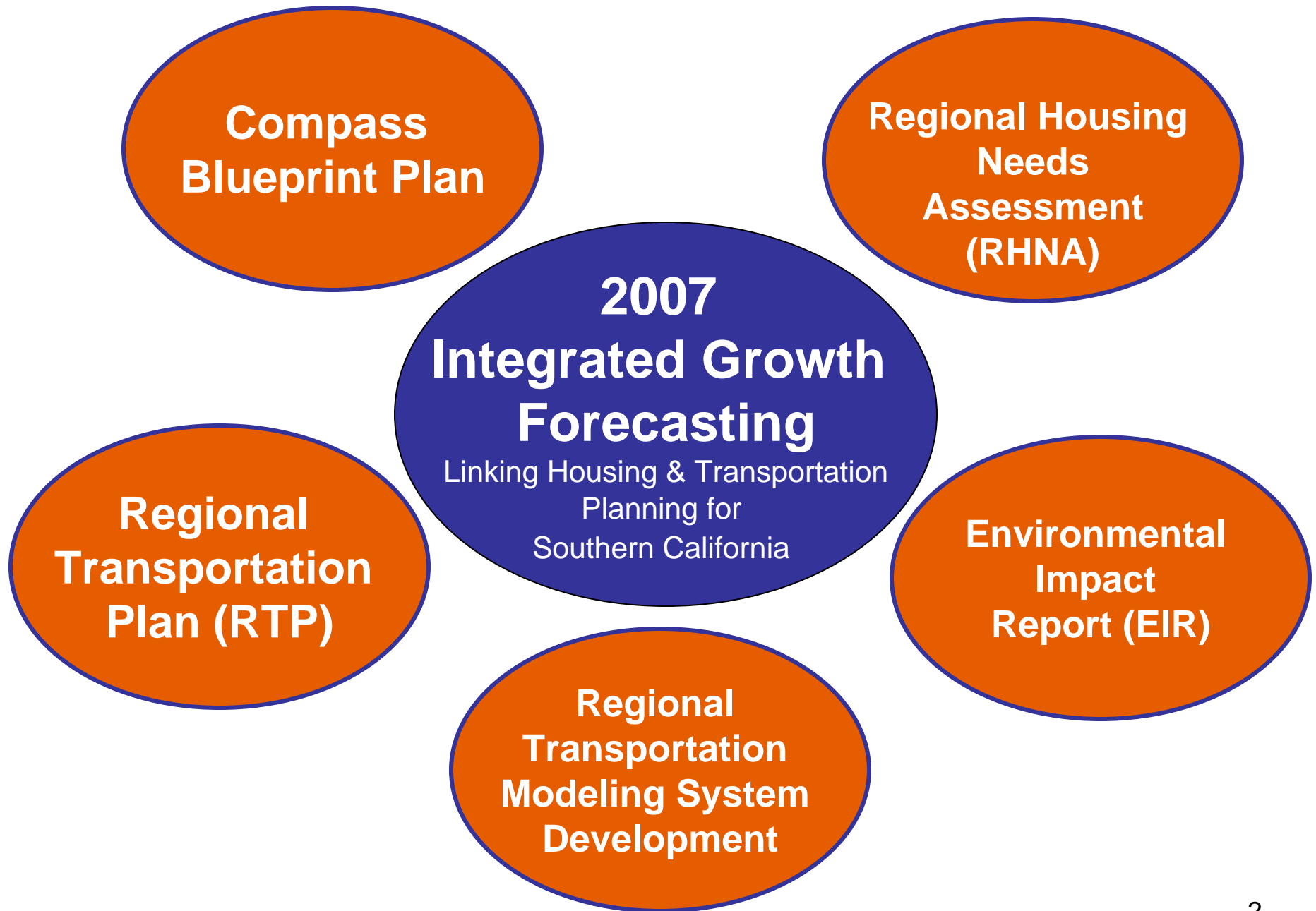


Development of the 2007 Integrated Growth Forecasting *Update Process*

Frank Wen, Program Manager
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Collaborative Process

- **All SCAG Subregions/Jurisdictions**
- **Plans and Programs Technical Advisory Committee, Panel of Experts**
- **Major Stakeholders & Data Users**
- **RC and Policy Committees, SCAG Management, Forecasting Staff, and Consultant Team**

2007 Integrated Regional Growth Forecasting *Update* Process

February 2005

CEHD approved and directed staff to proceed with the 2007 Integrated Growth Forecasting *update* process based on the adopted 2004 RTP growth forecasts

The RHNA 2158 planning factors were incorporated early on in the development of the forecast

2007 Integrated Growth Forecast

Top-down and bottom-up process

Relying heavily on local review, input, and consensus

Long-term forecast (2005 to 2035) provides:

Population, employment, households, and housing units
in 5-year increment for following geographic levels:

Region

County

Subregion

City-Level

Transportation Analysis Zones (TAZs)

Linkage to RHNA

Household growth between 2006 and 2014 is the basis used to calculate construction needs

CA HCD construction need range issued for the SCAG region is consistent with the Integrated Growth forecasts and RHNA policies adopted by CEHD



Sources of Input Received Related to Integrated Forecast Methodology & RHNA

- **ALL written communication, phone conversations, and meetings input into the SCAG CMS system**
 - 2014 comments/map input from workshops
 - 2035 comments/map input from workshops
 - Public testimony from workshops and workshop summaries
 - Public hearing summary and testimony from 9/28/06 and 1/11/07
 - 2004 RTP local input

Process for Incorporated Input

- Logged input from the 15 subregional workshops
- Followed-up with subregions & local jurisdictions
- Analyzed input letters and 2158 factors submitted by subregions/local jurisdictions
- Incorporated collective input from OCCOG, Riverside (WRCOG and CVAG), VCOG, IVAG, and SANBAG Allocation plan, household forecasts
- Incorporated individual input from local jurisdictions from Los Angeles County

Tasks Completed to Date

2005

- Surveyed local jurisdictions regarding changes to general plans and developments
- Reviewed and made revisions to 2003 base year small area distribution
- Requested and received input from subregions regarding future growth
- Reviewed and presented recent trends in population, employment and household growth
- Completed preliminary 2007 RTP no-project growth forecasts at regional/county/subregional level

Tasks Completed to Date

2006

- **January.** Convened panel of experts to review & comment on 2007 RTP/EIR/RHNA growth forecast
- **February.** Jurisdictions invited to present perspectives on growth issues to Panel of Experts
- **March-August.** Presented updated 2007 RTP/EIR/RHNA growth forecasts at region & county levels to Plans & Programs Technical Advisory Committee and Panel of Experts

Tasks Completed to Date

2006 (continued...)

- **September 7, 2006.** Discussed the 2007 Integrated Growth Forecasts at regional/county levels and addressed forecasting & RHNA Pilot issues/questions with the Plans and Programs TAC in their special meeting
- **September 14, 2006.** CEHD approved and directed staff to proceed with disaggregation of draft 2007 Integrated regional/county forecasts into smaller geographic levels and to the scheduling of subregion/ local jurisdiction workshops

Tasks Completed to Date

2006 (continued...)

- **September 28.** First RHNA Public Hearing
- **September – October.** RHNA Subcommittee formed & completed policy recommendations for forecast/RHNA. CEHD approved all policy recommendations.
 - Consideration of AB 2158 factors in housing need
 - Provided Fair Share Policy recommendation to CEHD to avoid over concentration of household by income group

Tasks Completed to Date

2006 (continued...)

- **October- December.** 15 subregional workshops: Interactive exercise 2035, and RHNA exercise 2006-2014.
 - 2158 factors filled out.
 - Formal and informal comments received
 - Follow-up meetings with local subregions/jurisdictions.
- **December 2006.** State HCD issued regional housing construction need consistent with the Integrated Growth forecast. RHNA policies adopted by CEHD.

Development of the 2007 Integrated Growth Forecast

STEP 1

Analysis of recent growth trends

STEP 2

Review and updates to 2004 regional growth forecast methodology

STEP 3

Review and update of existing growth policies & strategies

STEP 4

Development & evaluation of draft Regional Integrated Growth Forecast scenarios with small area distribution

STEP 5

Selection & adoption of a preferred regional growth forecast

Draft 2007 Integrated Regional and County Growth Forecasts *Update*

*Update the 2004 RTP
Technical Forecasts*

and

*Policy Components
(2015-2035)*



*Integrated Forecasts:
Policy impacts starts
From 2015*

Draft Growth Forecast

Compass
Blueprint

RTP Private
Investment

Draft 2007
Integrated Growth Forecasts

Analytical Framework for SCAG Long-Term Regional Forecasts

Employment/Job

- **Up to 2014:** Shift-Share method
Based on detailed BLS projection by NAICS and projected share by SCAG region industry
- **From 2015 to 2035:** U.S. jobs based on population, labor force and jobs relationship
Regional share based on projected share of U.S. jobs

Population/Households

- Cohort component model (birth, death, domestic & international migration)
- Headship rates by age, gender, and ethnicity

Reconciliation of Labor Force-Population Projections

Requesting Input on Assumptions Regarding Employment Forecasts

National Forecast:

- Census population projection by age
- BLS projection of U.S. economy to 2014
- Labor force participation rates for older age cohorts
 - 55-64
 - 65-74
 - 75 and above
- Labor force participation rates for the rest of age cohorts
- U.S. employment/unemployment rates
- U.S. double jobbing rates

SCAG Regional Forecasts:

- Self-employment rates
- Region's share of U.S. jobs

SCAG County Forecasts:

- County share of regional total employment
- Role of labor force in determining share of job growth by county

Requesting Input on Assumptions Regarding Population/ Household Forecasts

SCAG Regional Population/Household Forecasts (2005-2035)

- Fertility rate
- Mortality rate
- Net migration
- Labor force participation rate
- Double jobbing rate used to determine labor force demand
- Headship rate

Data sources

State

California Department of Finance
(DOF) - demolition data
California Employment Development
Department (EDD)
California Department of Housing and
Community Development (HCD)
California Tax Assessor - parcel level

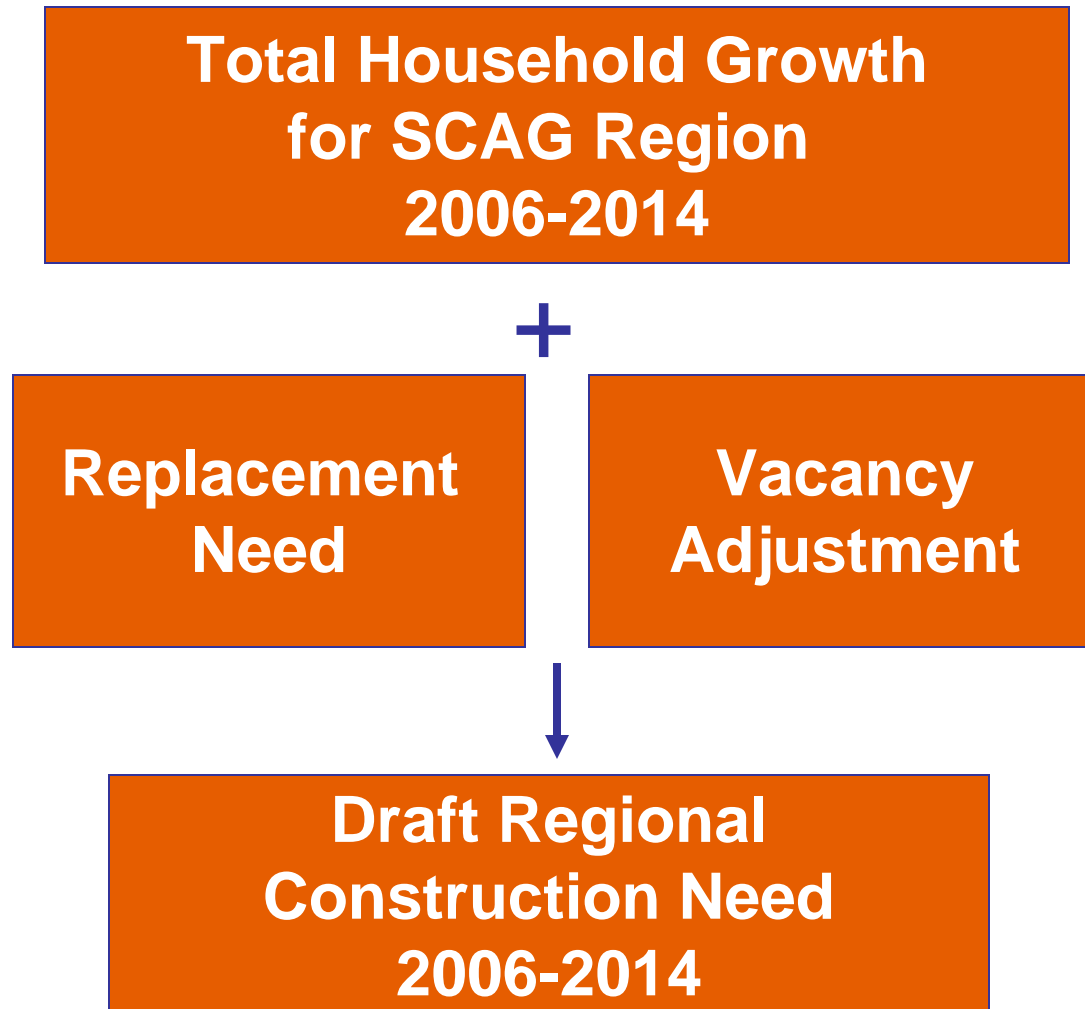
Other Data

- ES 202
- Construction Industry Research Board- building permits
- Intergovernmental Review Process
- Small area estimates and projections were also available from aerial land use data, and general plans

National

U.S. Department of Commerce
U.S. Census Bureau (2000)
U.S. Bureau of Economic Analysis
U.S. Department of Labor
U.S. Bureau of Labor Statistics
U.S. Internal Revenue Service (IRS)
U.S. Department of Health and Human
Services
U.S. Housing and Urban Development
(HUD)
U.S. Department of Transportation- CTPP

Development of Allocation Methodology: Regional/ County Level



Development of Allocation Methodology: City Level

Step 1

Each city's household growth was projected by using the "Constrained Exponential Growth Equations" with their respective long term historical trend data between 1980 and 2000

Step 2

Projected household growth was then provided to all local jurisdictions for comments and inputs and adjustments were made accordingly.

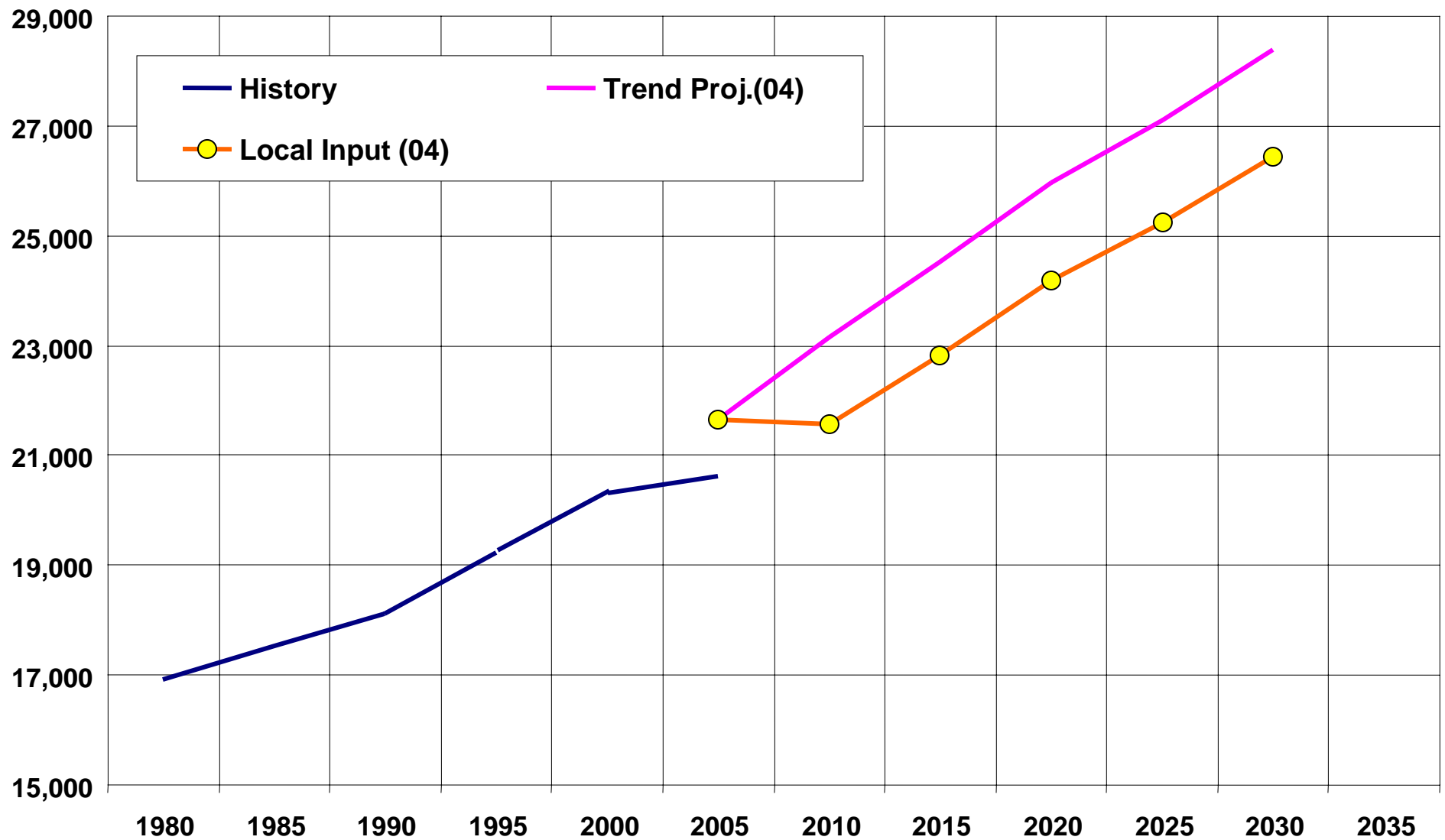
Step 3

Forecasting errors were adjusted—actual 2005 vs. forecasted 2005—and applied to 2035.

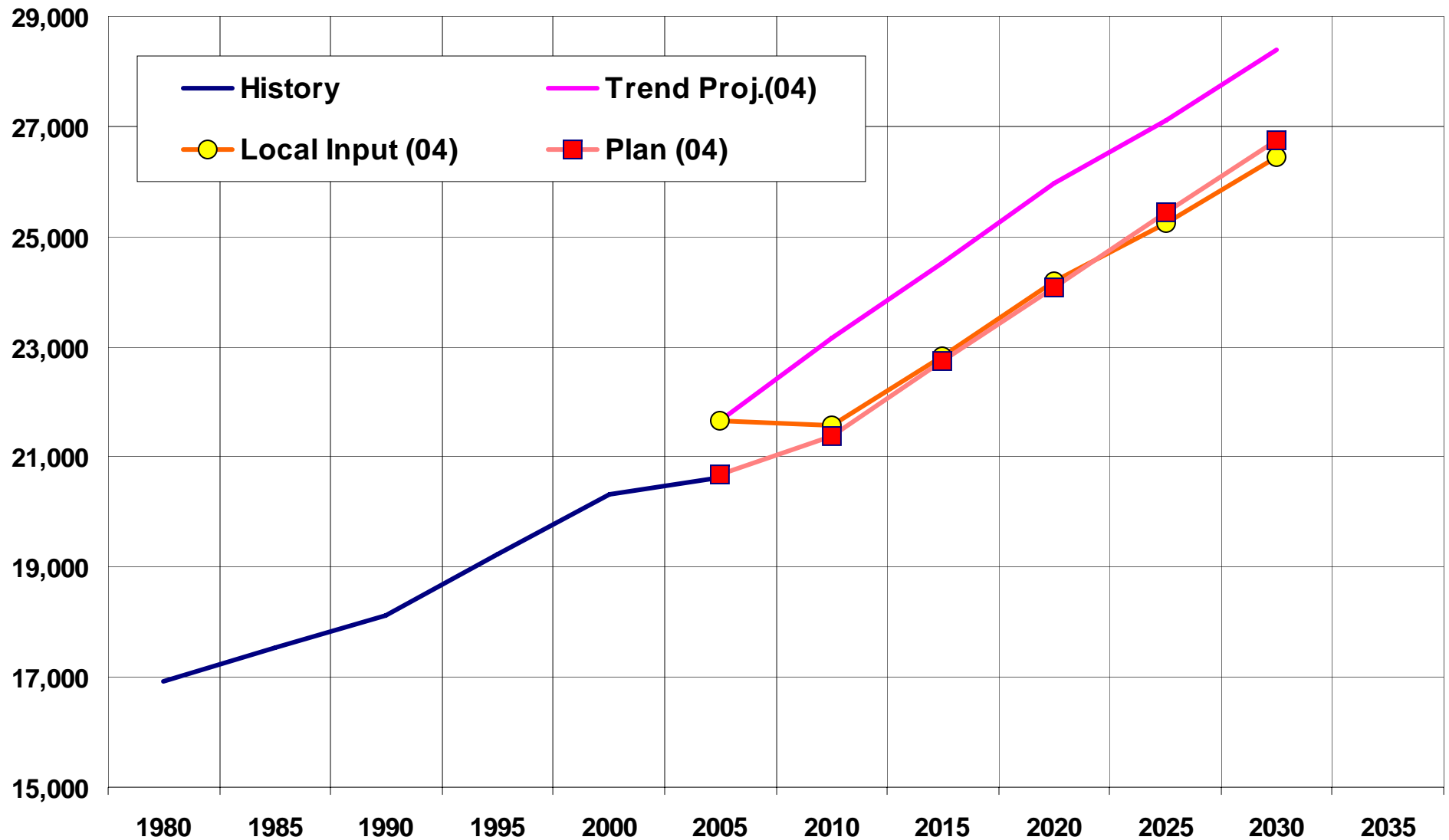
Step 4

Revised county forecasts were controlled from the 2007 Integrated Growth Forecasts.

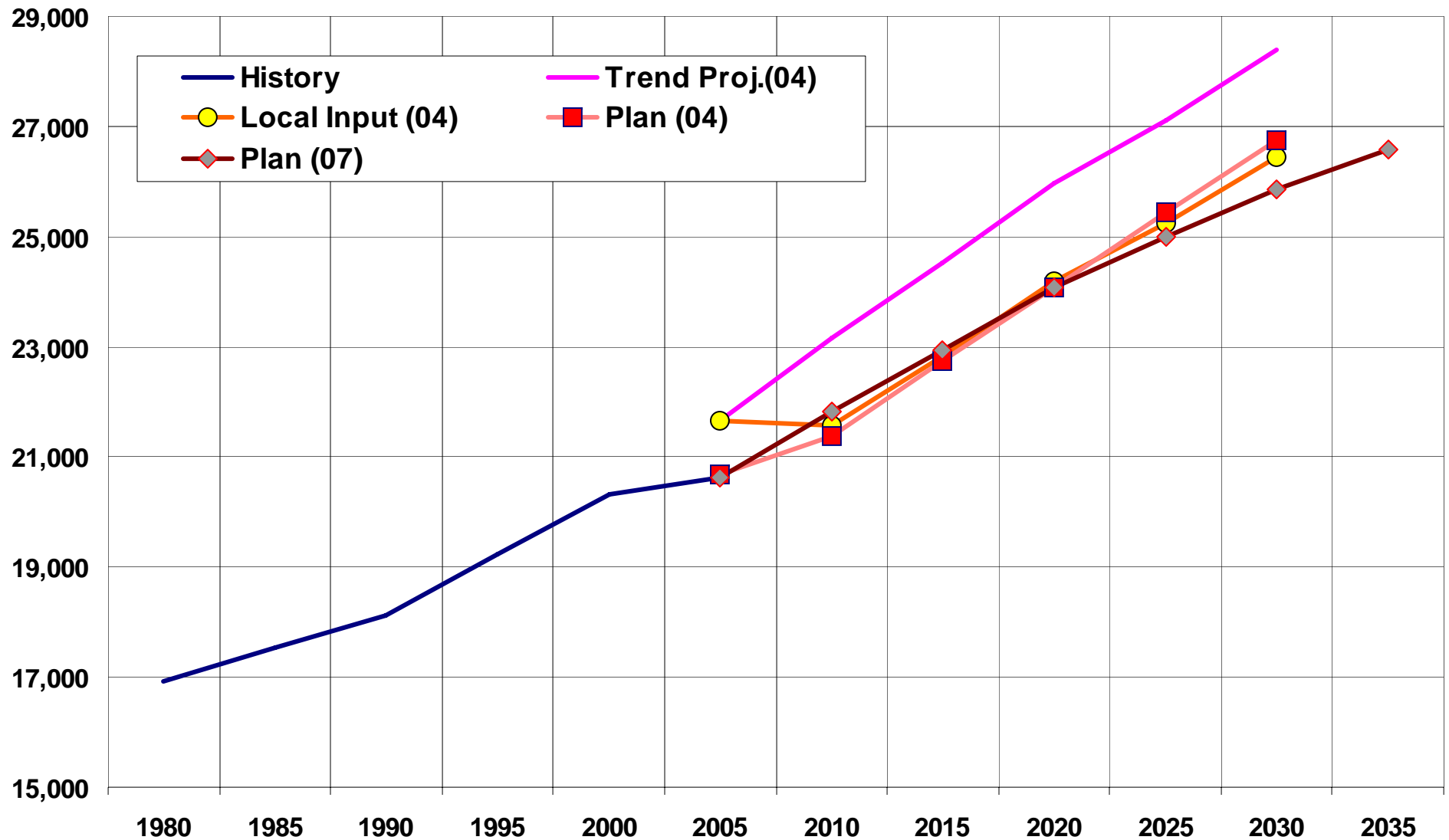
City Level Forecasting/Allocation Methodology



City Level Forecasting/Allocation Methodology



City Level Forecasting/Allocation Methodology



Additional Issues

Process for incorporating annexation:

- The draft allocations are based on city and county boundaries as of July 1, 2005.
- Annexation after July 1, 2005 will be handled through joint agreements* between incorporated cities and county.
- The final allocations will reflect the available current city and county boundaries.

Household/housing growth on tribal land

- Currently in consultation with HCD.

* Only completed annexation since July 1, 2005 will be accepted. In addition, local jurisdictions need to provide SCAG with: (1) detailed boundaries in ARCGIS shape file format, and (2) the associated socioeconomic estimates and forecasts agreed upon by the affected city and county of the annexed area

Next Steps

- ➡ Incorporate all input & revise 2007 integrated growth forecast up to 2014.
- ➡ Prepare final RHNA Allocation Plan
- ➡ Take further input & finalize growth forecast between 2015-2035
- ➡ Develop alternative growth scenarios.

Thank You

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